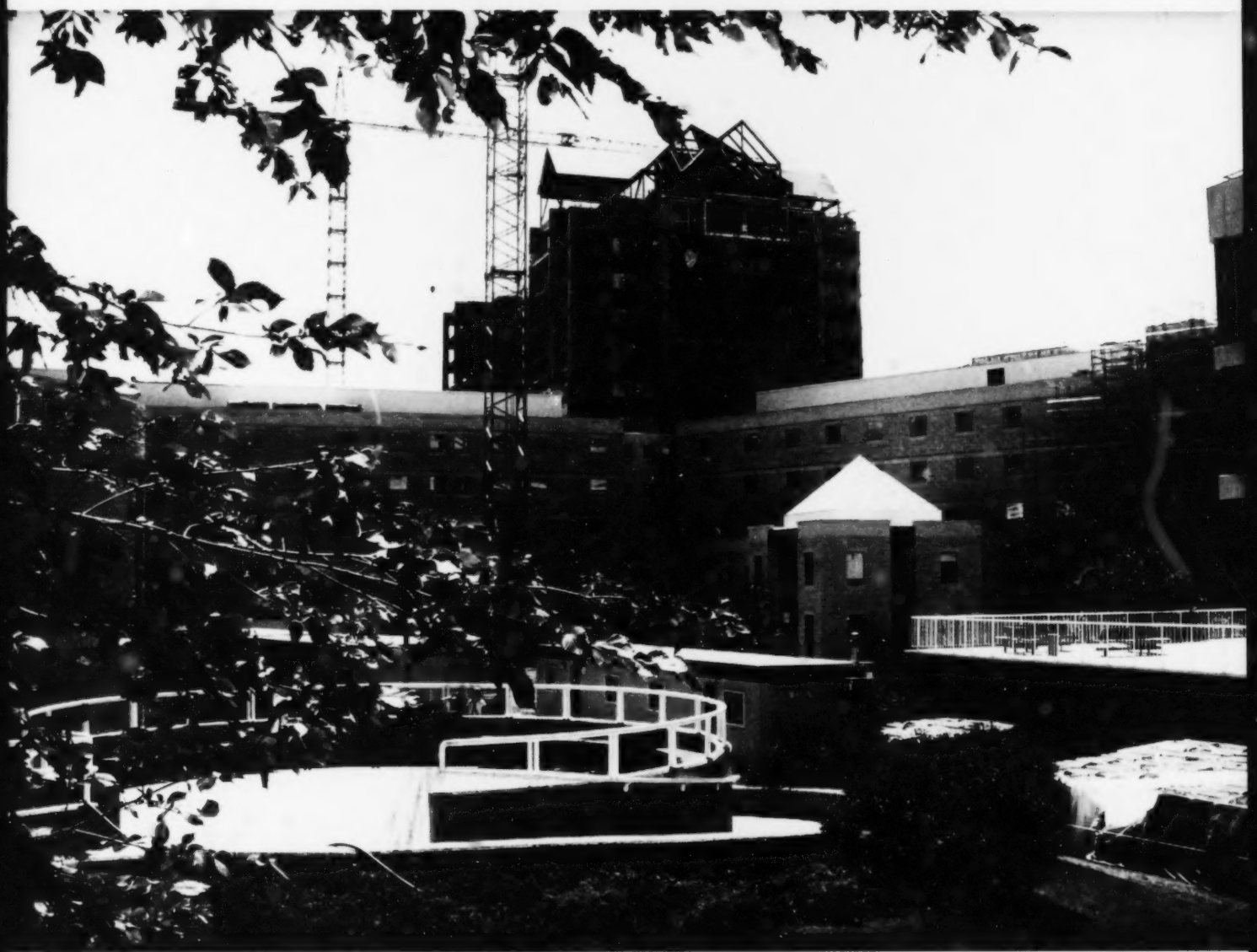
Financial Statements

For the Year Ended April 30, 2003

Regina, Saskatchewan, Canada



UNIVERSITY OF REGINA

University of Regina

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University of Regina

Statement of Management Responsibility

For the Year Ended April 30, 2003

The University is responsible for the preparation of the financial statements and has prepared them in accordance with generally accepted accounting principles as set out by the Canadian Institute of Chartered Accountants (CICA). The University believes the financial statements present fairly the University's financial position as at April 30, 2003 and the results of its operations for the year then ended.

The University's Board of Governors is responsible for overseeing the business affairs of the University and also has the responsibility for approving the financial statements. The Board has delegated certain of the responsibilities to its Finance and Audit Committee including the responsibility for reviewing the annual financial statements and meeting with management and the Provincial Auditor of Saskatchewan on matters relating to the financial process. The Provincial Auditor has full access to the Finance and Audit Committee with or without the presence of management.

Management maintains a system of internal controls to ensure the integrity of information that forms the basis of the financial statements. The internal controls provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly guarded against unauthorized use and that reliable records are maintained. The Provincial Auditor of Saskatchewan reports to the Board as to the adequacy of these controls.

The financial statements for the year ended April 30, 2003 have been reported on by the Provincial Auditor Saskatchewan, the auditor appointed under *The University of Regina Act.* The Auditor's Report on the following page outlines the scope of his examination and provides his opinion on the fairness of presentation of the information in the financial statements.

Dr. David T. Barnard
President

Dr. R. James Tomkins
Vice President (Administration)

Date: July 9, 2003

Provincial Auditor Saskatchewan

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AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the University of Regina as at April 30, 2003 and the statements of operations and changes in fund balances and cash flows for the year then ended. The University's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the University as at April 30, 2003 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
July 9, 2003

Fred Wendel, CMA, CA
Provincial Auditor

University of Regina

Statement of Financial Position

As at April 30, 2003

(in thousands of dollars)

Statement 1

	General	Restricted	Endowment	Total	Total 2002 (restated - Note 19)
Current Assets					
Cash (Note 4)	$ 4,027	$ 11,679	$ -	$ 15,706	$ 7,166
Accounts receivable (Note 8)	3,354	5,830	-	9,184	9,020
Inventories	2,161	-	-	2,161	1,904
Prepaid expenses	350	78	-	428	600
	9,892	17,587	-	27,479	18,690
Long-Term Assets					
Long-term investments	-	4,681	15,417	20,098	21,272
Long-term Loan Receivable	-	870	-	870	-
Accrued pension benefit asset (Note 11)	38,827	-	-	38,827	28,753
Capital assets (Note 5)	-	132,475	-	132,475	117,472
	38,827	138,026	15,417	192,270	167,497
	$ 48,719	$ 155,613	$ 15,417	$ 219,749	$ 186,187
Current Liabilities					
Accounts payable and other accrued liabilities	$ 10,169	$ 4,649	$ -	$ 14,818	$ 9,335
Deferred income	2,772	-	-	2,772	2,486
Current portion of long-term debt (Note 6)	-	204	-	204	2,351
Demand loan (Note 6)	-	5,823	-	5,823	6,459
	12,941	10,676	-	23,617	20,631
Long-Term Liabilities					
Long-term debt (Note 6)	200	9,181	-	9,381	2,363
Due to (from) other funds (Note 7)	(217)	217	-	-	-
Accrual for employee future benefits	515	-	-	515	704
	498	9,398	-	9,896	3,067
Fund Balances					
Externally restricted funds	-	20,378	15,417	35,795	34,599
Internally restricted funds (Note 13)	44,298	1,273	-	45,571	35,329
Invested in capital assets	-	113,888	-	113,888	101,345
Unrestricted funds	(9,018)	-	-	(9,018)	(8,784)
	35,280	135,539	15,417	186,236	162,489
	$ 48,719	$ 155,613	$ 15,417	$ 219,749	$ 186,187

Approved by the Board of Governors

Chair, Board of Governors

Vice-President (Administration)

The accompanying notes are an integral part of these financial statements.

University of Regina

Statement of Operations and Changes in Fund Balances

For the Year Ended April 30, 2003

(in thousands of dollars)

Statement 2

	General	Restricted	Endowment	Total	Total 2002 (restated - Note 19)
Revenues					
Grants and contracts					
Government of Canada	$ 750	$ 7,713	$ -	$ 8,463	$ 10,306
Department of Learning	56,852	19,181	-	76,033	62,212
Other grants and contracts	978	8,486	-	9,464	9,267
Student fees	33,047	268	-	33,315	30,589
Contributions, gifts, donations and bequests	223	1,590	363	2,176	1,723
Sales of services and products	14,025	432	-	14,457	14,697
Income from investments	517	(872)	(341)	(696)	185
Miscellaneous income	1,120	436	1	1,557	1,700
Income from operating leases (Note 16)	-	1,140	-	1,140	1,151
	107,512	38,374	23	145,909	131,830
Expenses					
Salaries					
Academic	35,176	548	-	35,724	32,683
Other	29,796	3,150	39	32,985	30,425
Employee benefits (Note 12)	(1,009)	256	-	(753)	11,122
Operational supplies and expenses	6,271	1,829	-	8,100	6,798
Travel	2,562	1,327	-	3,889	3,426
Cost of goods sold	5,598	-	-	5,598	5,542
Equipment, rental, maintenance & renovations	5,194	2,351	-	7,545	7,108
Utilities	4,649	38	-	4,687	4,465
Amortization of capital assets	475	13,005	-	13,480	10,923
(Gain) loss on disposal of capital assets	(4)	1,331	-	1,327	506
Scholarships, bursaries and prizes	4,120	3,945	2	8,067	6,271
Interest	290	656	-	946	778
Wascana Centre Authority levy	496	-	-	496	495
Bad debt expense	13	51	7	71	356
	93,627	28,487	48	122,162	120,898
Net revenues (expenses)	13,885	9,887	(25)	23,747	10,932
Interfund transfers (Note 14)	(3,441)	982	2,459	-	-
Net increase in fund balances for year	10,444	10,869	2,434	23,747	10,932
Fund balances, beginning of year, as restated (Note 19)	24,836	124,670	12,983	162,489	151,557
Fund balances, end of year	$ 35,280	$ 135,539	$ 15,417	$ 186,236	$ 162,489

The accompanying notes are an integral part of these financial statements.

University of Regina
Statement of Cash Flows

For the Year Ended April 30, 2003
(in thousands of dollars)

Statement 3

	General	Restricted	Endowment	Total	Total 2002 (restated - Note 19)
Operating Activities					
Net revenues (expenses)	$ 13,885	$ 9,887	$ (25)	$ 23,747	$ 10,932
Add back items not affecting cash:					
Amortization of capital assets	475	13,005	-	13,480	10,923
Unrealized losses on mutual funds	-	1,676	536	2,212	730
Loss on disposal of capital assets	5	1,331	-	1,336	506
Decrease in non-cash working capital	3,555	2,022	5	5,582	1,046
(Increase) decrease in accrued pension benefit	(10,074)	-	-	(10,074)	2,712
(Decrease) in long-term accrual for employee future benefits	(189)	-	-	(189)	(741)
Cash generated by operating activities	7,657	27,921	516	36,094	26,108
Investing Activities					
Purchases of investments	(68,456)	(725)	(3,018)	(72,199)	(35,172)
Sales of investments	68,456	2,662	43	71,161	37,876
Purchases of capital assets:					
Buildings	(137)	(19,293)	-	(19,430)	(15,126)
Site improvements	-	(1,376)	-	(1,376)	(544)
Furnishings and equipment	(1,680)	(4,791)	-	(6,471)	(5,926)
Software	(101)	(250)	-	(351)	(172)
Library resources	(1,412)	-	-	(1,412)	(2,520)
Leasehold improvement	-	(779)	-	(779)	(436)
Cash used in investing activities	(3,330)	(24,552)	(2,975)	(30,857)	(22,020)
Financing Activities					
Issuance of long-term debt	-	7,291	-	7,291	-
Repayment of long-term debt	-	(2,420)	-	(2,420)	(7,215)
Increase in long-term loan receivable	-	(960)	-	(960)	-
Repayment of long-term loan receivable	-	28	-	28	-
Issuance of internal loans	(32)	32	-	-	-
Repayment of internal loans	(205)	205	-	-	-
Issuance of demand loan	-	-	-	-	6,820
Repayment of demand loan	-	(636)	-	(636)	(361)
Cash used in financing activities	(237)	3,540	-	3,303	(756)
Net change in cash (bank overdraft)	4,090	6,909	(2,459)	8,540	3,332
Interfund Adjustments	(591)	(1,868)	2,459	-	-
Cash beginning of year	528	6,638	-	7,166	3,834
Cash, end of year	$ 4,027	$ 11,679	$ -	$ 15,706	$ 7,166

The accompanying notes are an integral part of these financial statements.

University of Regina

Statement of Operations and Changes in Fund Balances - General Fund

For the Year Ended April 30, 2003

(in thousands of dollars)

Statement 4

	Operating	Vacation Pay and Pension Accrual	Ancillary	Special Projects	Total	Total 2002
Revenues						
Grants and contracts						
Government of Canada	$ 575	$ -	$ -	$ 175	$ 750	$ 712
Department of Learning	56,388	-	-	464	56,852	54,399
Other grants and contracts	458	-	-	520	978	908
Student fees	32,910	-	-	137	33,047	30,311
Contributions, gifts, donations and bequests	106	-	-	117	223	394
Sales of services and products	5,432	-	7,897	696	14,025	13,544
Income from investments	453	-	64	-	517	367
Miscellaneous income	480	-	348	292	1,120	1,291
	96,802	-	8,309	2,401	107,512	101,926
Expenses						
Salaries						
Academic	34,758	-	-	418	35,176	32,353
Other	27,529	-	1,570	697	29,796	28,040
Employee benefits	8,606	(9,913)	201	97	(1,009)	10,958
Operational supplies and expenses	5,076	-	513	682	6,271	5,439
Travel	2,125	-	11	426	2,562	2,378
Cost of goods sold	2,347	-	3,251	-	5,598	5,542
Equipment, rental, maintenance & renovations	3,747	-	1,249	198	5,194	4,821
Utilities	4,533	-	107	9	4,649	4,433
Amortization of capital assets	-	-	475	-	475	409
(Gain) loss on disposal of capital assets	-	-	(4)	-	(4)	25
Scholarships, bursaries and prizes	3,877	-	4	239	4,120	3,599
Interest	5	-	285	-	290	272
Wascana Centre Authority levy	496	-	-	-	496	495
Bad debt expense	13	-	-	-	13	356
	93,112	(9,913)	7,662	2,766	93,627	99,120
Net revenues (expenses)	3,690	9,913	647	(365)	13,885	2,806
Interfund transfers (Note 14)	(3,422)	(10)	(398)	389	(3,441)	(5,477)
Net increase (decrease) in fund balances for year	268	9,903	249	24	10,444	(2,671)
Fund balances, beginning of year	(2,264)	26,688	316	96	24,836	27,507
Fund balances, end of year	$ (1,996)	$ 36,591	$ 565	$ 120	$ 35,280	$ 24,836

The accompanying notes are an integral part of these financial statements.

University of Regina

Statement of Operations and Changes in Fund Balances - Restricted Fund

For the Year Ended April 30, 2003

(in thousands of dollars)

Statement 5

	Capital Asset	Research	Trust	Total	Total 2002 (restated - Note 19)
Revenues					
Grants and contracts					
Government of Canada	$ -	$ 7,434	$ 279	$ 7,713	$ 9,594
Department of Learning	18,163	1,018	-	19,181	7,813
Other grants and contracts	-	8,361	125	8,486	8,359
Student fees	-	268	-	268	278
Contributions, gifts, donations and bequests	-	85	1,505	1,590	1,043
Sales of services and products	94	338	-	432	1,153
Income from investments	195	-	(1,067)	(872)	651
Miscellaneous income	-	318	118	436	395
Income from operating leases (Note 16)	1,140	-	-	1,140	1,151
	19,592	17,822	960	38,374	30,437
Expenses					
Salaries					
Academic	-	548	-	548	330
Other	6	2,970	174	3,150	2,378
Employee benefits	-	254	2	256	164
Operational supplies and expenses	361	1,440	28	1,829	1,359
Travel	18	1,303	6	1,327	1,048
Equipment, rental, maintenance & renovations	1,106	1,207	38	2,351	2,287
Utilities	1	37	-	38	32
Amortization of capital assets	13,005	-	-	13,005	10,514
Loss on disposal of capital assets	1,331	-	-	1,331	481
Scholarships, bursaries and prizes	-	1,752	2,193	3,945	2,672
Interest	653	3	-	656	506
Bad debt expense	-	-	51	51	-
	16,481	9,514	2,492	28,487	21,771
Net revenues (expenses)	3,111	8,308	(1,532)	9,887	8,666
Interfund transfers (Note 14)	9,432	(6,343)	(2,107)	982	5,356
Net increase (decrease) in fund balances for year	12,543	1,965	(3,639)	10,869	14,022
Fund balances, beginning of year, as restated (Note 19)	101,345	13,325	10,000	124,670	110,648
Fund balances, end of year	$ 113,888	$ 15,290	$ 6,361	$ 135,539	$ 124,670

The accompanying notes are an integral part of these financial statements.

For the Year Ended April 30, 2003
(in thousands of dollars)

1. Authority and Purpose

The University of Regina became an autonomous institution on July 1, 1974 by an Act of the Saskatchewan Legislature. Its authority is *The University of Regina Act*, Chapter U-5, of the Province of Saskatchewan. The University is a registered charitable organization under the *Income Tax Act*.

The purpose of the University is the preservation, transmission, interpretation and enhancement of the cultural, scientific and artistic heritage of the human race, and the acquisition and expansion of new knowledge and understanding.

2. Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with generally accepted accounting principles as set out by the Canadian Institute of Chartered Accountants (CICA).

(a) Fund Accounting

The University follows the restricted fund method of accounting for contributions. Under fund accounting, resources are classified for accounting and reporting purposes into funds in accordance with specified activities or objectives.

The Statement of Operations and Changes in Fund Balances shows the total revenues and expenses of the University, after elimination of interfund transactions with ancillaries and internal cost recoveries. The University has classified accounts with similar characteristics into major funds as follows:

i) **The General Fund** accounts for the University's program delivery, service and administrative activities. This fund reports unrestricted resources. The General Fund is further classified as Operating, Vacation and Pension Accrual Fund, Ancillary, and Special Projects.

- General – Operating Fund contains the academic, administrative and operational costs that are funded by tuition and related fees, government grants, investment and miscellaneous income, and sales of goods and services to external parties. As such, this Fund reports unrestricted resources and restricted resources earmarked for general operating purposes.

- General – Vacation and Pension Accrual Fund records the amount of unpaid vacation pay for academic and non-academic staff which will be funded from future revenues. It also records the accrued pension benefit asset or liability and the pension expense, other than the amount of the pension expense equal to employer contributions, which is recorded in the fund from which it is paid.

- General – Ancillary Fund is composed of Ancillary Enterprises that provide goods and services to the University community. They are composed of the Bookstore, College West Residence, Printing Services, Parking, Food Services, Language Institute Residence, Language Institute Food Services, automated teller machines, confectionery store, and coffee shop. Ancillary Enterprises operate on a fee-for-service basis and must be self-funding. Charges to other University funds are eliminated for financial statement purposes by removing them from Ancillary revenues and expenses.

- General – Special Projects Fund consists of a number of individual funds used to track operating projects' costs and recoveries. These projects involve consulting, training, time-limited projects, or other.

ii) **The Restricted Fund** reports only restricted resources that are to be used for specific purposes. The Restricted Fund is further classified as Capital Asset, Research, and Trust.

- Restricted – Capital Asset Fund holds all assets owned by the University along with the long-term debt on certain of these capital assets.

- Restricted – Research Fund consists of grant and contract income and expenses specifically identified for research or related activities as restricted by granting agencies, research institutes and other public and private organizations.

- Restricted – Trust Fund consists of externally restricted resources that may be used in their entirety within the restrictions established by the provider of the funds. The bulk of these funds are restricted for the provision of scholarships or annual lectures.

iii) **The Endowment Fund** reports resources contributed for endowment. Restrictions placed on the fund by the original provider preclude the original fund balance from being spent.

(b) Use of Estimates

The preparation of financial information requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

(c) Capital Assets

Purchased capital assets are recorded at cost. Donated assets are reported at fair market value when received by the University. The University capitalizes all assets costing more than

$2 and all computer-related assets costing more than $.5, except library resources, which are capitalized regardless of cost. The University capitalizes upgrades to buildings and site improvements greater than $10, except for Ancillary Enterprises, which have all upgrades capitalized regardless of cost. Assets costing less than these thresholds are expensed in the year purchased.

Capitalized assets are amortized on a straight-line basis over their estimated useful lives as follows:

Buildings	- temporary	20 years
	- permanent	40 years
Site improvements		10 to 40 years
Furnishings and equipment		3 to 30 years
Software		3 to 8 years
Library resources		10 years
Leasehold improvements		life of lease

Amortization of Ancillary assets is recorded in the General - Ancillary Fund. All other amortization is recorded in the Restricted - Capital Asset Fund.

An estimate for disposals or withdrawals of library holdings for superseded, poor condition, irrelevant, lost or stolen books is calculated at 1.05 percent of the net capitalized value of library holdings at the end of the preceding year.

Collections are not capitalized or amortized. All additions to collections are expensed in the year purchased.

The original land that was transferred to the University when it became a separate legal institution is reported on the statement of financial position at a nominal value of $1. This land includes 20 acres at the College Avenue Campus and 357 acres at the Main Campus. In 1989, the Main Campus was appraised by Crown Appraisals of Regina at four dollars per square foot for a total value of $62,204.

During the fiscal year 2000, the University transferred a parcel of land totaling 32.6 acres to the Saskatchewan Indian Federated College (SIFC) to accommodate their new building. The value of this land is estimated at $8,500.

(d) Investments

i) Gains or losses on disposal are recorded in the year of disposal.

ii) Mutual funds are recorded at fair market value. Both realized and unrealized gains and losses are recognized as changes in the market values occur.

iii) Other investments are carried at cost.

(e) Inventories

Inventories are valued at the lower of cost and net realizable value which is principally determined by the first in, first out method.

(f) Donations

Donations are recorded as revenue in the fiscal period in which they are received. Gifts-in-Kind, including works of art, equipment, investments and library holdings, are recorded at fair market value on the date of their donation.

(g) Pledges and bequests

Pledges and bequests are recorded as contributions in the period when pledged or bequeathed if the amounts to be received can be reasonably estimated and if collection is reasonably assured.

Pledges and bequests of $392 (2002 - $178) were not included in the financial statements because their ultimate collection cannot be reasonably assured.

(h) Interest Rate Swaps

An interest rate swap is a derivative financial contractual agreement between two counter-parties who generally exchange fixed and floating rate interest cash flows based on a notional amount derived from the value of underlying assets or liabilities.

During the year, the University entered into interest rate swap agreements with the Canadian Imperial Bank of Commerce in order to manage the interest rate exposure associated with certain debt obligations. The contracts have the effect of exchanging the floating interest rate cash flows from the underlying short-term debt instruments with fixed interest rate cash flows based on a notional amount. Because the long-term swap agreements effectively and completely hedge the underlying short-term debt obligations, the University is using hedge accounting and reflecting the obligations as long-term debt in the financial statements.

(i) Revenue recognition

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other externally restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions for endowment are recognized as revenue in the Endowment Fund.

Investment income earned on Endowment Fund resources is recorded in the appropriate fund, depending on the external restriction placed on that income. If it must become part of the endowment amount, it is recognized as revenue of the Endowment Fund. If it may be spent for a restricted purpose, it is recorded as revenue of that restricted fund. If there are no restrictions on the income, it is reported as income of the General Fund. Other investment income is recognized as revenue of the General Fund when earned.

3. Collections

(a) Collection of Rare Books, Records and Papers

The University Library maintains a collection of rare books and runs of bound old magazines. The collection is increased either by purchases or donations, which are minimal. The University does not dispose of items in this collection.

The University of Regina Archives collects the official records of the University of Regina, and private papers in various disciplines. The University Archives currently does not purchase or sell any items. All records and papers are transferred or donated.

(b) Art Collection

The MacKenzie Art Gallery manages part of the University's art collection as described in note 17 to these financial statements. The University also owns various works of art including paintings, banners, sculptures, and drawings. Additions to and disposals of this collection are few.

(c) Collection of Geographical Maps

The University's map library is a reference library containing maps, air photos, atlases, globes and documents on cartography and land use. Most additions come in the form of donations from government and private individuals. It is also a depository for the National Topographic Survey, who sends new and revised maps to the library monthly. The map library does not sell any items in its collection.

For the Year Ended April 30, 2003
(in thousands of dollars)

4. Cash

The University has access to a revolving overdraft at the Canadian Imperial Bank of Commerce which is secured by hypothecation of grant revenue.

5. Capital Assets

	Cost		Accumulated Amortization		Net Book Value	
	2003	2002	2003	2002	2003	2002
Land	$ 1	$ 58	$ -	$ -	$ 1	$ 58
Buildings	139,536	122,511	51,142	47,616	88,394	74,895
Site Improvements	21,971	22,292	9,877	10,095	12,094	12,197
Furnishings & Equipment	44,368	39,660	26,320	23,181	18,048	16,479
Software	3,284	2,929	2,059	1,616	1,225	1,313
Library Resources	39,746	38,741	29,807	28,298	9,939	10,443
Leasehold Improvements	2,981	2,177	207	90	2,774	2,087
	$ 251,887	$ 228,368	$ 119,412	$ 110,896	$ 132,475	$ 117,472

At year-end, the University had $15,197 (2002 - $8,284) in building, site improvements, software assets and equipment upgrades that were in progress. These upgrades are capitalized but not amortized at year-end.

During the year, the University disposed of the following amounts of assets:

- Library Resources with an original cost of $407 (2002 – $385), in accordance with the policy described in note 2(c);
- Software with an original cost of $5 (2002 - $23);
- Buildings with an original cost of $2,379 (2002 - $1,774). The University made some major replacement upgrades;
- Furnishings and Equipment with an original cost of $1,754 (2002 - $3,279);
- Site Improvements with an original cost of $1,754 (2002 - $136).

For the Year Ended April 30, 2003
(in thousands of dollars)

6. Long-Term and Short-Term Debt

Title of Issue	Interest Rate	Annual Repayment Terms	2003	2002
College West Residence Building Debenture, will be fully repaid Dec. 31, 2024, secured by building	7.25%	$ 155 principal & interest	$ 1,694	$ 1,725
Information Systems Management Demand Loan, expected to be repaid October 2003	Prime plus 0.50%	$ 936 principal & interest	5,823	6,459
Daycare Centre Long-Term Loan, due Jan. 1, 2004, will be fully repaid Jan. 1, 2019	8.53%	$ 54 principal & interest	469	483
Riddell Centre Building Loan, was fully repaid June 2002	6.29%	$ 309 principal & interest	0	2,306
Sasktel New Media Fund Inc. distance learning loan	15% total	None	200	200
Banker's Acceptance supporting the Riddell Centre	3.072% (Canadian – Bankers Acceptance – Canadian Deposit Offering Rate (CAD-BA-CDOR) + spread of .025% at April 30, 2003)	Revolves monthly at progressively smaller amounts until April 2012	922	0
Riddell Centre Long-term Synthetic financial instrument created by Interest Rate Swap Agreement, terminates April 2012	4.88%	$126 principal & interest	(notional amount equal to above)	0
Banker's Acceptance supporting the SIFC Parking Lot	3.072% (CAD-BA-CDOR + spread of .025% at April 30, 2003)	Revolves monthly at progressively smaller amounts until April 2023	504	0
SIFC Parking Lot Long-term Synthetic financial instrument created by Interest Rate Swap Agreement, terminates April 2023	5.78%	$42 principal & interest	(notional amount equal to above)	0
Totals carried to next page			$ 9,612	$11,173

For the Year Ended April 30, 2003

(in thousands of dollars)

Title of Issue	Interest Rate	Annual Repayment Terms	2003	2002
Total carried from previous page			$ 9,612	$ 11,173
Banker's Acceptance supporting Luther	3.072% (CAD-BA-CDOR + spread of .025% at April 30, 2003)	Revolves monthly at progressively smaller amounts until Oct. 2014	931	0
Luther Long-term Synthetic financial instrument created by Interest Rate Swap Agreement, terminates Oct. 2014	5.17%	$107 principal & interest	(notional amount equal to above)	0
Banker's Acceptance supporting the new Residence	3.072% (CAD-BA-CDOR + spread of .025% at April 30, 2003)	Revolves monthly, growing larger until Oct. 2004 to maximum $40,250 and then progressively smaller until Oct. 2029	4,865	0
Residence Long-term Synthetic financial instrument created by Interest Rate Swap Agreement, terminates Oct. 2029	6.107%	Interest only to Oct. 2004 $3,140 principal & interest, beginning Nov. 2004	(notional amount equal to $7,102)	0
			15,408	11,173
Less Current Portion			(204)	(2,351)
Less Short-Term Demand Loan			(5,823)	(6,459)
			$ 9,381	$ 2,363

The interest and principal repayments for the next five years are:

	Interest	Principal
2003/04	$1,697	$ 6,027
2004/05	2,610	565
2005/06	2,668	958
2006/07	2,603	1,017
2007/08	2,545	1,080

For the Year Ended April 30, 2003
(in thousands of dollars)

7. Due To/From Other Funds

Purpose and Funds Involved	Interest Rate	Annual Repayment Terms	2003	2002
DEC network loan from Restricted - Capital Asset to General - Operating, will be paid off April 30, 2003	6.00%	$211 blended principal and interest each year, paid monthly	$0	$ 205
Restricted - Trust holds the assets to pay the pensions under the Supplementary Executive Retirement Plan recorded in General - Vacation and Pension Accrual	n/a	As pensions are paid, this amount will be reduced	217	185

8. Accounts Receivable

Accounts receivable are composed of the following:

	2003	2002
Accounts receivable	$ 8,936	$ 8,654
Loans receivable (current portion)	62	43
Pledges receivable	858	1,136
Allowance for doubtful accounts	(672)	(813)
Net receivables	$ 9,184	$ 9,020

9. Expenses by Function

	2003	2002 (restated - Note 19)
Credit Instruction & Non-sponsored research	$ 45,423	$ 48,505
Non-Credit Instruction	3,408	4,929
Library	4,274	4,527
Computing	4,154	4,037
Administration and General	9,998	10,609
Physical Plant	10,768	10,816
Student Services	5,174	5,531
Ancillary	7,662	7,554
Special Projects	2,766	2,612
Capital	16,481	12,985
Research	9,514	7,216
Trust & Endowment	2,540	1,577
Total Expenses	$ 122,162	$ 120,898

10. Financial Instruments

a) Significant financial instruments, terms and conditions:

The University's significant financial instruments consist of accounts receivable, accounts payable, investments, interest rate swap derivatives and debt instruments. There are no significant terms and conditions related to financial instruments classified as current assets or current liabilities that may affect the amount, timing, or certainty of future cash flows. Significant terms and conditions for the long-term financial instruments are disclosed separately in these notes.

b) Market risk:

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. The University is exposed to market risk due to its investment in equity mutual funds. Investing with a reputable company who maintains a diversified portfolio minimizes this risk. The University is also exposed to market risk as a result of executing interest rate swap agreements. At any given time subsequent to execution, a derivative instrument will have a market value – the University will either have to make a payment, or will be entitled to receive a payment, in order to effectively pay the fixed interest rate under each swap agreement. Market risk is the risk that the University will be required to make an additional payment to meet the fixed rate obligation.

c) Interest rate risk:

Interest rate risk is the risk that future cash flows associated with a monetary financial instrument will fluctuate in amount due to changes in interest rates. The University is exposed to interest rate risk in its investment in money market and bond mutual funds and bank line of credit. The University has effectively hedged its interest rate risk for a large portion of its debt obligations by entering into interest rate swap agreements.

d) Credit risk:

Credit risk is the risk that a party owing money to the University will fail to discharge that responsibility. The University is exposed to credit risk from the potential non-payment of accounts receivable and non-return of money invested in mutual funds. It is also exposed to credit risk, or counter-party risk, through potential default under the interest rate swap derivative contracts.

The maximum credit risk exposure for all items except the swaps is equal to the amounts disclosed on the Statement of Financial Position. The notional amounts of the swaps are not indicative of the credit risk associated with derivative contracts. Current credit exposure is represented by the current replacement cost of all outstanding contracts in a favourable position (positive fair value). The University limits its credit exposure related to the swaps by dealing with a counter-party believed to have a good credit standing.

The University minimizes credit risk related to investments by investing with a reputable company.

The pledges receivable are from reputable corporations with a history of paying what they have pledged to the University.

Approximately 6% (2002 - 10%) of the University's accounts receivable are from students and employees. The credit risk from these is minimal as the University has various methods of recourse for collection such as withholding transcripts, certificates or degrees and payroll deduction.

Approximately 12% (2002 - 18%) of the University's accounts receivable are from the three federated colleges on campus, which are related parties. See also note 17 to these financial statements.

The other 82% (2002 - 72%) of accounts receivable are from the federal government, not-for-profit organizations, corporations and other universities.

e) Fair Value:

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

- The carrying amounts of cash, accounts receivable and accounts payable approximate their fair value due to their immediate or short-term nature.
- The carrying value of investments approximates their fair value.
- The fair values of the debt instruments and swap derivatives as at April 30 are shown in the table below. The fair values of the debt instruments are determined using discounted cash flow analysis based on current incremental borrowing rates for similar borrowing arrangements. The fair values for the swap derivatives are determined using discounted cash flow analysis based on the current market rate applied to the debt underlying the swap derivatives, and will fluctuate as market interest rates change:

		2003	2002
Debt instruments	College West Building	$ 1,729	$ 1,911
	Daycare Centre	517	570
	Riddell Centre Mortgage (extinguished June/02)	-	2,329
	Riddell Centre Debt	922	-
	SIFC Parking Lot debt	504	-
	Luther College debt	931	-
	Residence debt	4,865	-
Swap derivatives (unrealized loss position at April 30)	Riddell Centre Swap agreement	74	-
	SIFC Parking Lot Swap agreement	132	-
	Luther College Swap agreement	110	-
	Residence Swap agreement	1,897	-

11. Employee Future Benefits

The University is responsible for the administration of four pension plans.

The Pension Plan for the Academic and Administrative Employees of the University of Regina (Academic Plan) is a defined benefit (DB) best earning average pension plan, combined with a defined contribution (DC) component. The DB component was closed to new members effective January 1, 2000.

The University of Regina Supplementary Executive Retirement Plan (SERP) is a DB best earning average pension plan, combined with a DC component. The University's intention is to top up the pension allowed through the Academic Plan. The University is responsible for making benefit payments under the terms of the SERP as they become due and is not required to fund the obligation in advance. Included in the accrued pension benefit asset below is a liability of $87 (2002 - $60) relating to the unfunded SERP. The University has set aside cash in the Restricted - Trust Fund equal to the actuary's calculation of the accrued benefit liability added with the DC liability. This cash is still available to the University's creditors, and therefore is not used to compute the accrued benefit asset or liability.

The University of Regina Non-Academic Pension Plan (Non-Academic Plan) is a DB final average pension plan.

Actuarial valuations are completed at least every 3 years as prescribed by statute. The University funds the plans based on the amounts recommended by the actuary with minimum amounts specified in accordance with the plans and in the collective bargaining agreements. The assets including any potential surplus in the plan are for the benefit of the members and their beneficiaries. There is no provision that allows for the withdrawal of surplus by the University.

In addition, the University is also responsible for the administration of a DC pension plan, the University of Regina Pension Plan for Eligible Part Time Employees. The University matches contributions to this pension fund and has no further liability for the pensions of its members. The cost of DB pensions is determined using the projected benefit method prorated on services, management's best estimates of expected long-term rate of return on plan assets, salary escalation, and inflation, along with a discount rate determined by reference to market interest rates on high-quality debt instruments with cash flows that match the timing and amount of expected benefit payments. This cost is expensed as the employees provide services. Past service costs arising from plan amendments and changes in assumptions are amortized on a straight-line basis over the estimated average remaining service lifetime of the employee group (Academic Plan – 10.4 years, Non-Academic Plan – 15 years, SERP – 7.5 years). Experience gains and losses and gains or losses arising from plan curtailments and settlements are recognized in the year in which they occur. For purposes of calculating the expected return on plan assets, pension assets are valued at fair value extrapolated from December 31, 2002.

The University accounts for the cost of all employee future benefits including DC pension plans, severance payouts, early retirement top-ups, dental premiums, disability insurance, and other compensated absences on an accrual basis computed using a market-related discount rate.

For the Year Ended April 30, 2003
(in thousands of dollars)

The cost of DC benefits is expensed as earned by employees.

The status of all Employee Future Benefits is as follows:

	2003		2002	
	Pension	Non-Pension	Pension	Non-Pension
Change in plan assets:				
Fair value of plan assets at beginning of year	$258,235	$ -	$ 267,848	$ -
Employer contributions	2,132	-	2,064	-
Employee contributions	2,140	-	2,064	-
Benefit payments	(18,881)	-	(18,357)	-
Expected return on plan assets	17,565	-	18,251	-
Experience (loss)	(18,269)	-	(13,635)	-
Fair value of plan assets at end of year	$242,922	$ -	$258,235	$ -
Change in benefit obligations:				
Benefit obligation at beginning of year	$(209,672)	$(1,512)	$(212,731)	$(1,695)
Current service cost	(3,811)	(1,588)	(3,725)	(1,107)
Employee contributions	(2,140)	-	(2,064)	-
Interest on benefit obligations	(13,755)	(34)	(14,066)	(65)
Past service improvement cost	(6,230)	-	(711)	-
Benefit payments	18,881	2,000	18,357	1,482
Experience gain (loss)	6,879	8	5,268	(127)
Net benefit obligation at end of year	$(209,848)	$(1,126)	$(209,672)	$(1,512)
Funded status:				
Plan assets in excess of benefit obligation	$33,074	$ -	$48,563	$ -
Unamortized past service costs	9,523	-	3,883	-
Valuation allowance	(3,770)	-	(23,693)	-
Accrued pension benefit asset recognized in Statement of Financial Position	$38,827	$ -	$28,753	$ -

For the Year Ended April 30, 2003

(in thousands of dollars)

	2003		2002	
	Pension	Non-Pension	Pension	Non-Pension
Pension expense:				
Current service cost	$ 3,811	$1,588	$3,725	$1,106
Interest on benefit obligations	13,755	34	14,066	65
Expected return on plan assets	(17,565)	-	(18,251)	-
Amortization of past service costs	590	-	333	-
Immediate recognition of remaining (gains) losses	11,390	(8)	8,367	127
Decrease in valuation allowance	(19,923)	-	(3,463)	-
Defined benefit pension expense recognized in Statement of Operations and Changes in Fund Balances	$(7,942)	$1,614	$4,777	$1,298
Defined contribution pension expense	$ 1,250	$ -	$1,013	$ -

	2003		2002	
Assumptions as at April 30:	Pension	Non-Pension	Pension	Non-Pension
Discount rate	6.40% to 6.60%	6.70%	6.70%	6.75%
Expected long-term rate of return on plan assets	7.00%	-	7.00%	-
Inflation	4.00%	-	4.00%	-
Salary increase, Academic Plan and SERP	5.00%	-	5.00%	-
Salary increase (inflation and productivity) Non-Academic Plan	4.50%	-	4.50%	-
Salary increase (seniority, merit and promotion) Non-Academic Plan	Between (0.0558)% and 2.8053% depending on age	-	Between (0.0558)% and 2.8053% depending on age	-
Expected disability rate increase	-	6.70%	-	6.75%

12. Employee Benefits

	2003	2002
Pension Expense – Defined Benefit (Note 11)	$ (7,942)	$ 4,777
Pension Expense – Defined Contribution (Note 11)	1,250	1,013
Non-Pension Employee Future Benefits (Note 11)	1,614	1,298
All other employee benefits	4,325	4,034
	$ (753)	$ 11,122

For the Year Ended April 30, 2003

(in thousands of dollars)

13. Internally Restricted Fund Balances

Funds involved and policy:	2003	2002
General – Operating: Certain faculties and departments who underspend their budgets in one year may carry forward this amount and spend it in the following year.	$ 7,022	$ 6,520
General – Vacation Pay and Pension Accrual: Pension Accrual can only be used to benefit pension plan members, vacation accrual can only be used as vacation	36,591	26,688
General – Ancillary: Ancillary operations must be self-funding. Positive fund balances are used by ancillaries while negative fund balances must be recovered.	565	316
General – Special Projects: Positive fund balances must be used by the special project.	120	96
General Fund total	$ 44,298	$ 33,620
Restricted – Research: Certain research is sponsored by various faculties and departments within the University.	$ 1,058	$ 1,603
Restricted – Trust: Amounts transferred from General – Ancillary Fund to be used for future parking facilities.	215	106
Restricted Fund total	$ 1,273	$ 1,709

For the Year Ended April 30, 2003
(in thousands of dollars)

14. Interfund Transfers

Each year, the University transfers amounts between its funds for various purposes. These include funding capital asset purchases, and reassigning fund balances to support certain activities.

	General		Restricted		Endowment	
	2003	2002	2003	2002	2003	2002
Asset purchases recorded in Restricted – Capital Asset Fund	$ (3,330)	$ (4,952)	$3,330	$ 4,952	$ -	$ -
Move closed Vision 20/20 balances to Endowment	-	-	(2,391)	-	2,391	-
Support for central computing assets	1,299	1,780	(1,299)	(1,780)	-	-
Support for Research	(273)	-	273	-	-	-
Close Language Institute funds	250	-	(250)	-	-	-
Ancillary parking revenue to building trust	(124)	(106)	124	106	-	-
Support for asset purchases	(1,353)	(892)	1,353	892	-	-
Administrative support from research	354	252	(354)	(252)	-	-
Support for special projects	64	-	(64)	-	-	-
Operating recoveries from research	131	356	(131)	(356)	-	-
Department of Learning – Technology Enhanced Learning funds	220	(1,284)	(220)	1,284	-	-
Other miscellaneous transfers	(679)	(631)	611	510	68	121
	$ (3,441)	$ (5,477)	$ 982	$ 5,356	$2,459	$ 121

15. Budget Versus Actual for 2003

General – Operating Fund:

The University of Regina budgets for the change in the accumulated fund balance (deficit).

	Budget	Actual
Revenues	$ 91,615	$ 96,802
Expenses	89,648	93,112
Net revenues (expenses)	1,967	3,690
Interfund Transfers	(1,967)	(3,422)
Net increase in fund balance for year	$ 0	$ 268

The University's General – Operating Fund revenue budget of $91,615 is net of internal operating recoveries of $4,698.

For the Year Ended April 30, 2003

(in thousands of dollars)

The University's General – Operating Fund expense budget of $89,648 is net of library acquisitions of $2,496, internal operating recoveries of $4,698, and budgeted interfund transfers-in of $529.

The Interfund transfer budget is comprised of transfers-in of $529 excluded from the expense budget, and library acquisitions of $2,496.

General – Ancillary Fund:

	Budget	Actual
Revenues	$ 8,034	$ 8,309
Expenses	8,017	7,662
Net revenues (expenses)	17	647
Interfund Transfers	-	(398)
Net increase in fund balance for year	$ 17	$ 249

The Ancillary Fund revenue and expense budget is net of internal sales of $1,038.

General – Special Projects Fund:

The University expected a negative change in fund balance of $645. There was actually a increase in fund balance during the year of $24.

Restricted – Capital Asset Fund:

The Restricted – Capital Asset Fund budget sets out expected government grant revenues from the Department of Learning of $5,533 for capital projects. The University actually received $18,163. The University does not budget for expected income from operating leases, Government of Canada grants, other government grants and contracts or contributions, gifts, donations and bequests. Revenues from those sources totaled $1,429.

The University expected to spend $5,813 on capital asset purchases and rental, maintenance, renovations and Restricted – Capital Asset Fund related expenditures. Actual expenses (net of unbudgeted capital asset amortization of $13,005) totaled $3,476. The Restricted – Capital Asset Fund also purchased assets totaling $21,209 that were capitalized and not expensed.

The University budgeted for interfund transfers from the Restricted - Capital Asset Fund totaling $480. Actual interfund transfers-in totaled $9,432.

Restricted – Research Fund:

The University expected a negative change in fund balance of $21. There was an actual increase in fund balance during the year of $1,965.

Restricted – Trust Fund:

The University expected a negative change in fund balance of $445. There was an actual decrease in fund balance during the year of $(3,639).

Endowment Fund:

The University expected a positive change in fund balance of $299. There was an actual increase in fund balance during the year of $2,434. Revenues are primarily dependent upon contributions, gifts, donations, bequests and investment returns.

16. Operating Leases

The University currently leases out three buildings. The following table discloses information about these properties.

	ISM Building		2 Research Drive Building		Daycare Building	
	2003	2002	2003	2002	2003	2002
Capital cost	$ 8,980	$ 8,980	$1,107	$ 1,107	$ 577	$ 577
Accumulated amortization	2,694	2,469	217	189	129	114
Amortization expense	224	224	28	28	14	14
Outstanding debt	5,823	6,459	-	-	469	483
Principal & interest paid (net)	936	939	-	-	54	54
Income from Operating Leases	990	979	96	118	54	54

17. Related Party Transactions

a) Government of Saskatchewan

The University receives a significant portion of its revenue from the Government of Saskatchewan and has a number of its Board of Governors members appointed by the Government of Saskatchewan. To the extent that the Government exercises significant influence over the operations of the University, all Saskatchewan Crown agencies, such as corporations, boards and commissions, are considered related parties to the University. Operating grants received from the Department of Learning are disclosed separately in the Statement of Operations and Changes in Fund Balances.

During the year, the University received $15,283 from the Educational Infrastructure Financing Corporation (EIFC), a Saskatchewan crown agency. These amounts are included in "Grants and contracts – Department of Learning" in the Capital Asset - Restricted Fund. The University has signed 3 agreements with the EIFC and the Minister of Learning that set out the conditions for each allotment of money. Each agreement requires the University to spend the money on specific capital projects approved by the Minister. Also, each agreement assigns a fixed interest rate and requires semi-annual principal and interest installment payments over a term that approximates the useful life of the related capital project. Under each agreement, the Minister of Learning, on behalf of the University, undertakes to pay the semi-annual installments by issuing grants to the EIFC from the General Revenue Fund. As such, the University is not including these amounts as long-term debt or interest expense in its financial statements.

The University currently leases land to the Saskatchewan Opportunities Corporation (SOCO). The lease is for 99 years at one dollar per year expiring on June 30, 2097. The land shall be used for and devoted to research and technology development activities.

The University leases approximately 7,000 square feet of space in the Petroleum Technology Research Centre (PTRC) Building from SOCO for one dollar per year plus its share of occupancy costs. The term of this lease is three years beginning December 1, 2000, with the option to renew for a further three years for a rent of $120 per year. This space is to be used for the business of conducting social science research and/or coordinating research related to climate change adaptation. In lieu of the first three years of rent at market rates, the University paid SOCO $400 for tenant improvements. This payment is being treated as prepaid rent which is amortized into expenses over the next 3 years beginning December 1, 2000.

The University also leases approximately 12,000 square feet of space in the PTRC Building from SOCO for $107 per year plus its share of occupancy costs. The term of this lease is 5 years beginning July 1, 2000, with the option to renew for a further 5 years. This space is to be used for offices, laboratories or support areas associated with the institutional activities of the University.

Routine operating transactions with Government of Saskatchewan related parties are recorded at the standard or agreed rates charged by those organizations and are settled on normal trade terms. The larger of these expenditures are as follows:

	2003	2002
Saskatchewan Power Corporation	$2,762	$ 2,508
Saskatchewan Energy	116	106
Saskatchewan Telecommunications	684	719
Saskatchewan Property Management Corporation	154	146
University of Saskatchewan	99	96
Saskatchewan Workers Compensation	3	-
Saskatchewan Institute of Applied Science and Technology	133	46
Saskatchewan Opportunities Corporation	364	338
Saskatchewan Centre of the Arts	101	101

At year-end, the University had accounts payable to the above organizations totaling $318 (2002 - $225). The University had account receivables to the above organizations totaling $168 (2002- $1,293).

b) University of Regina Crown Foundation

The University is also related to the University of Regina Crown Foundation through representation on the Foundation's Board of Trustees. The Foundation is incorporated under *The Crown Foundation Act* pursuant to Order in Council 842/94 effective December 15, 1994. As an agent of the Crown in right of the province, donations to the Foundation qualify under the *Income Tax Act* for a tax credit in the case of individuals and for a deduction in the case of corporations.

The purpose of the Foundation is to receive gifts of real and personal property, including money, and to provide grants and transfers of real and personal property to the University for the purpose of supporting and promoting its education or research activities. It is currently not being used for this activity due to changes in income tax laws. As at the end of the year, the Foundation had no net assets.

c) Canadian Universities Reciprocal Insurance Exchange

The University of Regina is a member of the Canadian Universities Reciprocal Insurance Exchange (CURIE). CURIE pools the property damage and public liability insurance risks of its members. All members pay annual deposit premiums that are actuarially determined and are subject to further assessment in the event members' premiums and reserves are insufficient to cover losses and expenses. No additional assessment was necessary for the current year. As of December 31, 2002, CURIE had a surplus of $4,100 (2001 - $7,200).

d) MacKenzie Art Gallery Inc.

The Gallery is custodian of a collection of artwork that is the property of the University. The University provides funding to the Gallery, which can be reduced if the government grant to the University is reduced. The Gallery's Board contains two members appointed by the University. The University holds certain money in trust for the Gallery. Income earned on this money is, from time to time, paid to the Gallery to be used to purchase additional works of art to add to the Collection and for the cleaning and restoration of works comprised in the Collection. The University also provides other operating services to the Gallery such as audiovisual, printing, and payroll services. The Gallery reimburses the University for these services.

During the year, the University applied grant money of $419 (2002 - $419) against the Gallery's receivable and paid $3 (2002 - $4) to the Gallery. The Gallery paid the University $792 (2002 - $800) for services rendered.

At April 30, the University had an account receivable from the Gallery totaling $172 (2002 - $142).

Amounts payable to the Gallery were minimal at each year-end.

The Gallery has given the University money to invest on its behalf. At year-end, the balance of this investment, including accumulated interest totals $621 (2002 - $712). This amount is not included in the University's financial statements. The University does not charge the Gallery for this service.

e) Wascana Centre Authority

On April 1, 1962, the Wascana Centre Authority was constituted a body corporate under *The Wascana Centre Act*. The Government of Saskatchewan, the City of Regina and the University were named as participating parties. The University has a statutory obligation to the Authority for the cost of landscape construction and landscape maintenance performed on University owned land. Following is information regarding payments made to the Authority as prescribed by the Act.

	2003	2002
Maintenance – Authority Land	$283	$282
Maintenance – University Land	213	213
Other miscellaneous payments	303	80
	$799	$575

The University received grants of $228 (2002 - $247) from the Department of Learning to help fund the above payments to the Wascana Centre Authority.

f) Federated Colleges

Three colleges located on the main campus – Campion College, Luther College and the Saskatchewan Indian Federated College (SIFC) are federated with the University but are financially and administratively independent. Students interested in registering in a federated college must meet the general entrance requirements of the University of Regina. Courses offered by the University and the colleges are open to all students. The University's Board of Governors sets the tuition rates that must be paid by all students. Degrees are granted by the University when students have completed all requirements. The University has agreements with the three colleges that determine how student fees are shared.

The University also provides other operating services to the colleges such as telephone, audio visual, library book purchasing, printing, and payroll services. The colleges reimburse the University for these services.

For the Year Ended April 30, 2003

(in thousands of dollars)

The University had the following receipts and receivables:

	Operating		Fee Share	
	2003	2002	2003	2002
Receipts from Campion College	$ 406	$ 523	$ 1,336	$ 2,129
Receipts from Luther College	576	811	1,277	460
Receipts from SIFC	250	300	-	170
	$ 1,232	$ 1,634	$ 2,613	$ 2,759
Receivable from Campion College at year end	$ (8)	$ 7	$ 44	$ -
Receivable from Luther College at year end	91	104	12	751
Receivable from SIFC at year end	268	256	714	440
	$ 351	$ 367	$ 770	$ 1,191

SIFC has given the University money to invest on its behalf. At year-end, the balance of this investment, including accumulated interest, totals $536 (2002 - $615). This amount is not included in the University's financial statements. The University does not charge SIFC for this service.

The University holds a number of trust funds on behalf of SIFC and Luther. The University also has other small agreements with the colleges. As a result of these, the University made payments to the colleges during the year as follows:

	2003	2002
Payments to Luther College	$ 1,076	$ 42
Payments to SIFC	363	460
Payments to Campion College	3	2

During the year the University made payments of $1,076 to Luther College. Of this amount, $960 is for a loan receivable. The balance outstanding on the loan receivable is $931 at April 30, 2003.

Subsequent to year-end, SIFC changed its name to First Nations University of Canada.

g) Petroleum Technology Research Centre

The Petroleum Technology Research Centre (PTRC) is a federally incorporated not-for-profit organization. Its founding participants include The University of Regina, The Saskatchewan Research Council (SRC), Natural Resources Canada (NRCan) and Saskatchewan Industry and Resources (SIR).

During the year, the University received $967 (2002 - $321) from the PTRC to repay salary and benefits of the PTRC director and to fund research projects.

The University also employs professors who carry out PTRC related research. These professors will remain employees of the University of Regina. The University has an agreement with NRCan whereby NRCan will reimburse the University for part of these professors' salaries and benefits. This reimbursement is recorded when received. The PTRC member who will be the recipient of the benefits of the research will be determined on a project-by-project basis.

It is not possible to quantify the University's contribution to the PTRC in the research areas.

h) Saskatchewan Population Health Evaluation and Research Unit

The University has signed a ten-year memorandum of understanding with the Saskatchewan Population Health Evaluation and Research Unit (SPHERU) whereby the University agrees to provide administrative and research support services to employees of SPHERU in return for an annual contribution of $80.

The University of Regina exercises significant influence over SPHERU by way of 25% of SPHERU's Board of Directors being comprised of members from the University who will be involved in the policy making process. SPHERU was established to increase Saskatchewan's overall health research capacity with an emphasis on population health and evaluation research.

SPHERU was incorporated under *The Not-for-Profit Corporations Act* on July 9, 2000. SPHERU expects to receive annual funding of $250 from Saskatchewan Health and $250 from Saskatchewan Health Research Foundation (SHRF).

18. Commitments

Prior to year-end, the University had signed contracts totaling $52,540 for planning and construction work on four major projects. By April 30, 2003, the University had already spent $18,861 on these projects, leaving $33,679 to be spent in subsequent fiscal years.

The University also had open purchase commitments related to capital and research projects totaling $2,185.

19. Changes in Accounting Policy and Presentation

a) Presentation

Certain numbers have been reclassified to conform to current year's presentation.

b) Correction of prior year error

Past financial statements incorrectly recorded investments managed on behalf of the University of Regina Student's Union as the University's investments. The statements also

recorded the income or loss from these investments as University income or loss and payments made to the Student's Union as University expenses. Although immaterial in the prior year, the University does not wish the error to grow to a material amount.

The effects of this error correction has been applied retroactively as follows:

Impact on Fund Balance:	2003	2002
Fund balances, beginning of year, as previously reported	$ 162,509	$ 151,777
Error correction – decrease in investments	(333)	(220)
– decrease in accounts payable	313	
Fund balances, beginning of year, as restated	$ 162,489	$ 151,557

Impact on net revenues (expenses):	2002
Net revenues (expenses) as previously reported	$ 10,732
Error Correction – decrease income from investments	(8)
– decrease miscellaneous income	(117)
– decrease scholarships, bursaries and prizes	325
Net revenues (expenses) as restated	$ 10,932

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